



Energy is crucial to the operation of our modern economy. Affordable energy supports our industrial and consumer base, allowing us to produce goods and services cheaply. However, there is a growing awareness of the damage done to our health, environment, and pocketbooks through our reliance on fossil fuels. These effects can be reduced by increasing the production of energy from renewable resources such as wind, biomass, and geothermal energy.

Renewable energy also creates thousands of jobs in Oregon and across the country. Support for wind energy, a key part of our renewable energy mix, drives the work of hundreds of wind-related manufacturing facilities and offers lease payments to thousands of farmers and ranchers in Oregon and across the county. Investing in renewable energy diversifies our energy supply and strengthens our resilience to energy related challenges, while improving our national energy security.

## Solution

Extending the production tax credit (PTC) is a highly effective way to increase investment in renewable energy. The PTC offers a 2.1 cent per kilowatt hour tax credit for the production of energy from the wind and other renewable energy sources. Importantly, the PTC levels the playing field for renewable energy with fossil fuels and nuclear, which have been the recipients of the vast majority of federal energy incentives over time. Congressman Blumenauer has led the charge for a bipartisan renewal of the PTC.

Congressman Blumenauer's legislation to extend the PTC through 2016, HR 3307, has bipartisan support, with over a hundred cosponsors from every region of the country. In testimony to his colleagues on the Ways and Means Committee, Congressman Blumenauer argued that given the hundreds of billions of dollars we spend abroad each year to fuel our economy, the cultivation of domestic, renewable energy resources presents a stronger return on investment. By supporting renewable energy technologies, the PTC helps unlock a nearly unlimited source of domestic energy while supporting investment in a market projected to grow to more than \$2 trillion by 2020.

H.R. 3307 provides a clean, 4-year extension of the existing production tax credit for wind, biomass, geothermal, small irrigation, landfill gas, trash, and certain hydropower projects. The current incentive is set to expire next year for wind and in 2013 for other renewable energy forms. Advocates note that historically, financial lenders hesitate in providing capital for projects before the tax credit expires because of the uncertainty created by the pending expiration of the credit, preventing projects from coming online. In years following expiration of the credit, wind energy installations have dropped between 79-93%, resulting in major job losses and lost opportunities. The rush to complete projects as the PTC nears expiration also reduces projects and adds costs, resulting in higher electricity prices.

States and utilities are also joining in to invest in renewable energy. Thirty-eight states have utility-scale wind projects, powering more than 12 million homes. This investment pays environmental dividends: the more than 40,000 megawatts of wind power installed through 2010 annually avoids 83.5 million tons of carbon pollution. The PTC has underwritten many of these developments, with a strong correlation between industry growth and the existence of the credit.

The world is in the midst of an energy revolution. Due to rising fossil fuel prices, the instability of oil rich regions, and the increasing dangers of global climate change, communities all over the planet are looking for new, modern, sustainable sources of energy. The United States should lead the way in investment and innovation that will pay dividends both economically and environmentally for decades to come.

[<Previous Idea](#)  
[Next Idea>](#)

